

EXHIBIT 14

MorganStanley SmithBarney

CLIENT STATEMENT For the Period August 431, 2012

#BWNJGWM

WALDYR DA SILVA PRADO NETO

REDACTED

MIAMI FL 33141-5877

Your Branch

201 S BISCAYNE BLVD STE 2000
MIAMI, FL 33131
Telephone: 305-379-1000
Alt. Phone: 800-327-0273
Fax: 305-376-8545

Client Interaction Center

800-869-3326
24 Hours a Day, 7 Days a Week

Access your accounts online
www.morganstanley.com/online

Morgan Stanley Smith Barney LLC. Member SIPC.

TOTAL VALUE LAST PERIOD (as of 7/31/12)	\$1,613,178.83
NET CONTRIBUTIONS WITHDRAWALS	(272,241.93)
CHANGE IN VALUE	29,526.87
TOTAL VALUE OF YOUR ACCOUNT (as of 8/31/12) (Total Values include accrued interest)	\$1,370,463.77

Your Financial Advisor

Waldyr Da Silva Prado Neto
Vice President
Waldyr.Prado@morganstanleysmithbarney.com

REDACTED

-9292 - 670 - 1 - 0

CLIENT STATEMENT | For the Period August 131, 2012

Account Summary

Morgan Stanley
Smith BarneyActive Assets Account
9292-670

WALDYR DA SILVA PRADO NETO

REDACTED

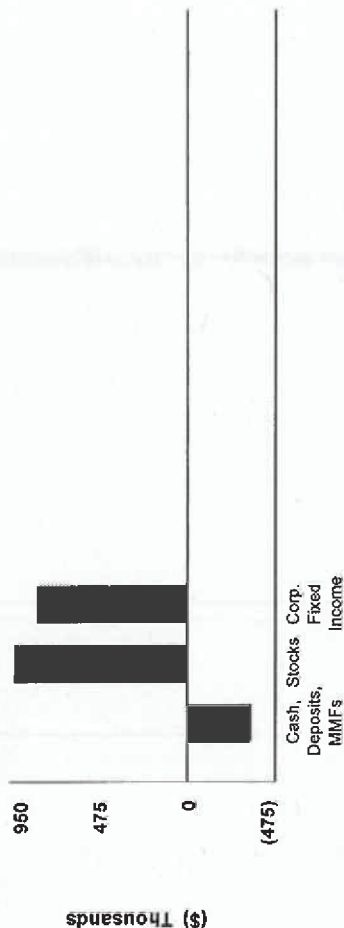
Brokerage Account
Householding Anniversary Date 10/12
Investment Objectives Capital Appreciation Aggressive Income Speculation Income

CHANGE IN VALUE OF YOUR ACCOUNT

	This Period (8/1/12-8/31/12)	This Year (1/1/12-8/31/12)
Total Beginning Value (includes accrued interest)	\$1,613,178.83	□
Contributions	485,747.33	2,328,803.93
Withdrawals	(757,989.26)	(1,068,544.35)
Security Transfers	□	(1,027,012.97)
Accrued Interest On Security Transfers	□	(2,345.20)
Net Contributions/Withdrawals	\$(272,241.93)	\$230,901.41
Change in Value	29,526.87	1,139,562.36
Total Ending Value (includes accrued interest)	\$1,370,463.77	\$1,370,463.77

This exhibit may not include transactions for investments in Annuities or where Morgan Stanley Smith Barney is not the custodian. This may affect the reported Net Invested Capital. If we are not the custodian there may also be a delay in the reporting of your Market Value. Please speak to your Financial Advisor if you have any questions. See the Disclosures section of your statement for more information about investment objectives. Please review for accuracy and inform us if your investment objectives change.

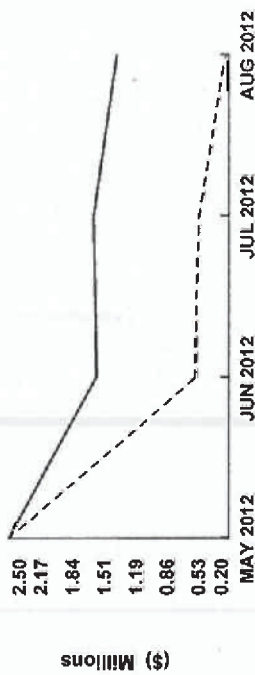
ALLOCATION OF HOLDINGS



This allocation represents holdings on a trade date basis, and projected settled Cash/Deposits/MMF balances. We classify assets based on general characteristics such as: income generation, underlying capital structure, or exposure to certain market sectors. As many assets contain characteristics of more than one asset class, this asset classification may differ from others you may receive. These classifications are not intended to serve as a suitability analysis. \$ Includes Estimated Accrued Interest

CHANGE IN VALUE OVER TIME

This graph compares the total value of your account to the net amount invested. Net investment is the total amount invested minus the total amount withdrawn.



— Total Market Value — Net Invested Capital Since 05/31/12
This may affect the reported Net Invested Capital. If we are not the custodian there may also be a delay in the reporting of your Market Value. Please speak to your Financial Advisor if you have any questions. See the Disclosures section of your statement for more information about investment objectives.

	Market Value Percentage %
Cash, Deposits, MMFs (Debit)	25.1
Stocks	66.8
Corporate Fixed Income	58.3
TOTAL VALUE	100.0%

Morgan Stanley Smith Barney

CLIENT STATEMENT For the Period August 131, 2012

Account Summary

Active Assets Account WALDYR DA SILVA PRADO NETO
9292-670

BALANCE SHEET

	Last Period (as of 7/31/12)	This Period (as of 8/31/12)
TOTAL VALUE (incl. accr. int.)	\$1,613,178.83	\$1,370,463.77
ASSETS	\$1,695,365.04	\$1,714,852.31
Stocks	908,360.00	915,800.00
Corporate Fixed Income [§]	787,005.04	799,052.31
LIABILITIES (Outstanding Balance)	\$(82,186.21)	\$(344,388.54)
Cash, Deposits, MMFs (Debit)	(82,186.21)	(344,388.54)
<i>§ Includes Estimated Accrued Interest</i>		

CASH FLOW

	This Period (8/1/12 - 8/31/12)	This Year (1/1/12 - 8/31/12)
OPENING CASH, DEPOSITS, MMFs	\$(82,186.21)	\$0
INVESTMENT RELATED ACTIVITY	\$10,039.60	\$(1,604,648.12)
Purchases	□	(1,642,456.26)
Income	10,039.60	37,808.14
CASH RELATED ACTIVITY	\$(272,241.93)	\$1,260,259.58
Electronic Transfers-Credits	485,747.33	2,328,803.93
Electronic Transfers-Debits	(757,050.81)	(1,067,342.69)
Interest Charged	(938.45)	(1,201.66)
DEBIT CARD/CHECK ACTIVITY	□	□
Debit Card	□	□
ATM/Cash Advances	□	□
Checks Written	□	□
Automated Payments	□	□
CLOSING CASH, DEPOSITS, MMFs	\$(344,388.54)	\$(344,388.54)

PERSONAL
ACCOUNTS

RETIREMENT
ACCOUNTS

EDUCATION
ACCOUNTS

TRUST
ACCOUNTS

BUSINESS
ACCOUNTS

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CLIENT STATEMENT] For the Period August 131, 2012

Account Summary

MorganStanley
SmithBarneyActive Assets Account
9292-670

WALDYR DA SILVA PRADO NETO

REDACTED

INCOME SUMMARY

	This Period (8/1/12-8/31/12)	This Year (1/1/12-8/31/12)
TOTAL INCOME	\$10,039.60	\$37,808.14
TAXABLE INCOME	10,039.60	37,808.14
Qualified Dividends	1,999.80	4,371.38
Other Dividends	4,196.80	15,830.21
Long Term Capital Gains Distributions		
Interest	3,843.00	17,543.16
Other Income		63.39
TAX-EXEMPT INCOME		
Dividends		
Interest		
Other Income		

Taxable and tax exempt income classifications are based on the characteristics of the underlying securities and not the taxable status of the account

GAIN/(LOSS) SUMMARY

	This Period(8/1/12-8/31/12)	Short-Term	Long-Term
NET REALIZED			
Gain			
(Loss)			
NET UNREALIZED(8/31/12)		\$74,730.93	
Gain		75,225.95	
(Loss)		(495.02)	
This Year(1/1/12-8/31/12)		Short-Term	Long-Term
NET REALIZED			
Gain			
(Loss)			

Gain/(Loss) and income information are provided for informational purposes only and should not be used for tax preparation. Gain/(Loss) summary information may change due to basis adjustments.

Please refer to the Gain/(Loss) section of the disclosures for additional information.

ADDITIONAL ACCOUNT INFORMATION

Category	This Period (8/1/12-8/31/12)	This Year (1/1/12-8/31/12)
Accrued Interest Paid		\$14,450.03

CLIENT STATEMENT For the Period August 31, 2012

MorganStanley
SmithBarneyActive Assets Account WALDYR DA SILVA PRADO NETO
19292-670

REDACTED

Holdings

This section reflects the impact of positions purchased/sold on a trade date basis, and will include positions purchased and omit positions sold in the current month. Please see the ☐ Unsettled Purchases/Sales Activity section for more information.

The "Market Value" and "Unrealized Gain/(Loss)" figures shown are representative values as of the last business day of the statement period indicated, which may not reflect the value that could actually be obtained in the market. See "Pricing of Securities" in the Disclosures section at the end of this statement. Fixed Income securities are sorted by maturity or pre-refunding date, and alphabetically within date. Estimated annual income and estimated yield for certain securities can include return of principal or capital gains which could overstate such estimates. Estimated yield and estimated annual income are estimates and the actual income or yield may be lower or higher than the estimates. Estimated yield reflects only the income generated by an investment. It does not reflect changes in its price, which may fluctuate. Structured products appear in various statement product categories and are identified as "Structured Products" in the Security Description column. Estimated accrued interest, estimated annual income and estimated yield for structured products with a contingent income feature (such as Range Accrual Notes or Contingent Income Notes) assume specified accrual conditions are met during the relevant observation period and payment in full of all contingent interest. If you hold structured products, please see "Special Considerations Regarding Structured Products" in the Disclosure section. New Treasury regulations require that we report on Form 1099-B after the close of the tax year your adjusted cost basis and classify the gain or loss as either long-term or short-term on the sale of covered securities acquired on or after January 1, 2011. These regulations also require that we make basis adjustments due to wash sales, certain corporate actions and transfers by gift or inheritance, which will be reflected on your Form 1099-B. Cost basis is reflected on monthly statements for informational purposes only and should not be used in the preparation of your income tax returns. Please refer to the Disclosures section of this statement for additional information.

CASH, DEPOSITS AND MONEY MARKET FUNDS

Cash, Deposits and Money Market Funds are generally displayed on a settlement date basis. However, Global Currency Deposits may include both settled and unsettled positions. Estimated Annual Income, Accrued Interest and APY% will only be displayed for fully settled positions. In the event, all or a portion of a Global Currency Deposit position is unsettled as of month end, this data will not be available.

Description	Value	Estimated Annual Income	7-Day Current Yield %	Annual Percentage Yield %
MARGIN LOAN	\$(344,388.54)			
	Percentage of Assets %	Market Value		Estimated Annual Income
	(25.1)%	\$(344,388.54)		Accrued Interest
				\$0.00
				\$0.00
TOTAL CASH, DEPOSITS, MMFS		\$0.00		
TOTAL CASH, DEPOSITS, MMFS (DEBIT)		\$(344,388.54)		

CLIENT STATEMENT For the Period August 131, 2012

MorganStanley
SmithBarneyActive Assets Account WALDYR DA SILVA PRADO NETO
19292-670

Holdings

REDACTED

STOCKS

COMMON STOCKS

Morgan Stanley & Co. LLC (Morgan Stanley), Cit Investment Research & Analysis (CIRA), and Standard & Poor's equity research ratings may be shown for certain securities. All research ratings represent the opinions of the research provider and are not representations or guarantees of performance. Because the applicable research report contains more complete information regarding the analyst's opinions, analysis, and rating, you should read the entire research report and not infer its contents from the rating. Where a particular company is covered by both Morgan Stanley and CIRA, you can and should view both research reports. CIRA's equity research ratings are (1) Buy, (2) Neutral and (3) Sell. For ease of comparison, Morgan Stanley and Standard & Poor's equity research ratings have been normalized to a 1 (Buy), 2 (Hold), and 3 (Sell). Please refer to the end of this statement for a summary guide describing Morgan Stanley, CIRA and Standard & Poor's ratings. Morgan Stanley Smith Barney LLC does not take responsibility for, and does not guarantee the accuracy, completeness, or timeliness of research prepared for Standard & Poor's.

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/Loss	Estimated Annual Income	Dividend Yield %
AGIC CONV & INC FD (NCV)	6/19/12	6,000,000	\$8.794	\$52,766.30	\$55,260.00	\$2,493.70 ST	\$6,480.00	11.72
Share Price: \$9.210; Next Dividend Payable 08/04/12; 6000 Held On Margin								
AGIC CONV & INCOME FD II COM (NCZ)	6/7/12	3,000,000	7.972	23,916.50	25,830.00	1,913.50 ST		
	6/12/12	3,000,000	7.961	23,881.70	25,830.00	1,948.30 ST		
Total		6,000,000		47,798.20	51,660.00	3,861.80 ST	6,120.00	11.84
Share Price: \$8.610; Next Dividend Payable 08/04/12; 6000 Held On Margin								
AMERICAN CAPITAL AGENCY (AGNC)	6/6/12	3,000,000	32.943	98,829.50	104,520.00	5,690.50 ST	15,000.00	14.35
Share Price: \$34.840; Rating: Morgan Stanley: 1, Citigroup: 2; Next Dividend Payable 10/12; 3000 Held On Margin								
ANNALY CAPITAL MGMT INC (NLV)	6/13/12	6,000,000	16.900	101,401.10	103,860.00	2,458.90 ST	13,200.00	12.70
Share Price: \$17.310; Rating: Morgan Stanley: 2, S&P: 2; Next Dividend Payable 10/12; 6000 Held On Margin								
ARMOUR RESIDENTIAL REIT INC (ARR)	6/12/12	15,000,000	7.060	105,905.00	111,900.00	5,995.00 ST	18,000.00	16.08
Share Price: \$7.460; Next Dividend Payable 08/12; 15000 Held On Margin								
EATON VANCE LTD DURATION FD (EVV)	6/14/12	488,000	16.106	7,837.80	7,876.44	38.64 ST		
	6/14/12	3,532,000	16.098	56,859.34	59,443.56	2,584.22 ST	5,000.00	7.42
Total		4,000,000		64,397.14	67,320.00	2,922.86 ST		
Share Price: \$16.830; Next Dividend Payable 09/12; 4000 Held On Margin								
FIFTH STREET FINANCE CORP COM (FSC)	6/12/12	2,411,000	9.758	23,526.54	25,291.39	1,764.85 ST		
	6/12/12	589,000	9.761	5,749.25	6,178.61	429.36 ST		
	6/29/12	3,000,000	10.039	30,118.40	31,470.00	1,351.60 ST		
Total		6,000,000		59,394.19	62,940.00	3,545.81 ST	6,900.00	10.96
Share Price: \$10.490; Next Dividend Payable 09/12; 6000 Held On Margin								
PIONEER DIV HIGH INCOME TRUST (HNW)	6/19/12	100,000	19.445	1,944.50	2,129.00	184.50 ST		
	6/19/12	100,000	19.510	1,951.00	2,129.00	178.00 ST		
	6/19/12	2,800,000	19.537	54,704.72	59,812.00	4,907.28 ST	5,760.00	9.01
Total		3,000,000		58,600.22	63,870.00	5,269.78 ST		
Share Price: \$21.290; Next Dividend Payable 09/12; 3000 Held On Margin								
PIONEER FLOATING RATE TRUST (PHD)	6/13/12	10,000,000	12.488	124,884.50	134,000.00	9,115.50 ST	9,000.00	6.71
Share Price: \$13.400; Next Dividend Payable 09/12; 10000 Held On Margin								

Morgan Stanley Smith Barney

CLIENT STATEMENT For the Period August 131, 2012

Active Assets Account WALDYR DA SILVA PRADO NETO
19292-670

REDACTED

Holdings

COMMON STOCKS \$713,976.15 \$755,330.00 \$41,353.85 ST \$85,460.00 11.31%
\$0.00

STOCKS

PREFERRED STOCKS

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/Loss	Estimated Annual Income	Dividend Yield %
DEUTSCHE BK CONT CAP III 7.50% (DTK)	6/6/12	2,369,000	\$25.659	\$60,786.41	\$62,612.67	\$1,826.26 ST		
	6/6/12	631,000	25.638	16,177.77	16,677.33	499.56 ST		
Total		3,000,000		76,964.18	79,290.00	2,325.82 ST	5,700.00	7.18

Share Price: \$26.430; Moody BA2 S&P BBB; Next Dividend Payable 11/12; 3000 Held On Margin

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/Loss	Estimated Annual Income	Dividend Yield %
DEUTSCHE BK CONT CAP TR V 8.0% (DKT)	6/6/12	3,000,000	26.412	79,237.40	81,180.00	1,942.60 ST	6,036.00	7.43

Share Price: \$27.060; Moody BA2 S&P BBB; Next Dividend Payable 10/12; 3000 Held On Margin

PREFERRED STOCKS

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/Loss	Estimated Annual Income	Dividend Yield %
Total				\$156,201.58	\$160,470.00	\$4,268.42 ST	\$11,736.00	7.31%
							\$0.00	
							\$97,196.00	10.61%
							\$0.00	

Percentage of Assets %
66.8%

CORPORATE FIXED INCOME

CORPORATE BONDS

Security Description	Trade Date	Face Value	Orig. Unit Cost	Orig. Total Cost	Market Value	Unrealized Gain/Loss	Estimated Annual Income	Yield %
BANCO ABC BRASIL SA REGS	6/5/12	100,000,000	\$104.000	\$104,000.00			\$7,875.00	7.37
CUSIP P0763MBW0			\$103.910	\$103,910.34	\$106,815.00	\$2,904.66 ST	\$3,128.12	
Total		100,000,000		101,500.00			7,686.00	7.60
CAPITAL ONE CAP III	6/7/12	100,000,000	101.500	101,500.00			341.59	
CUSIP 14042BAA4			101.495	101,495.02	101,000.00	(495.02) ST		
Total		100,000,000		101,500.00			7,686.00	7.60
Total		200,000,000		203,000.00			15,371.59	
Unit Price: \$106.815; Coupon Rate 7.875%; Matures 04/08/2020; Int. Semi-Annually Apr/Oct 08; Yield to Maturity 6.714%; Moody BAA1; Issued 04/08/10								
Unit Price: \$101.000; Coupon Rate 7.686%; Matures 08/15/2036; Int. Semi-Annually Feb/Aug 15; Callable \$100.00 on 08/16/36; Yield to Call 7.594%; Floater; Moody BAA3								
Unit Price: \$107.317; Coupon Rate 7.750%; Matures 07/15/2037; Int. Semi-Annually Jan/Jul 15; Yield to Maturity 7.117%; Moody BAA3								

CONTINUED

CLIENT STATEMENT | For the Period August 131, 2012

MorganStanley
SmithBarneyActive Assets Account WALDYR DA SILVA PRADO NETO
.9292-670

REDACTED

Activity

CASH FLOW ACTIVITY BY DATE

Transaction Settlement Date	Activity Type	Description	Comments	Quantity	Price	Credits/(Debits)
8/1	Dividend	AGIC CONV & INC FD				\$540.00
8/1	Dividend	AGIC CONV & INCOME FD II COM				510.00
8/2	Online Transfer	FUNDS PAID	Wells XX-6934			(10,000.00)
8/6	Cash Transfer	FUNDS TRANSFERRED	CONFIRMATION # 4272970			
8/6	Funds Transferred	WIRED FUNDS SENT	CONFIRMATION # 4323133 FRC: .9362			57,000.00
8/8	Funds Transferred	WIRED FUNDS SENT	BENE: KFG INTERNATIONAL ACCT: .			(57,000.00)
8/8	Funds Transferred	WIRED FUNDS SENT	BENE: KEESAL YOUNG AND LOGAN ACCT: 153497598984			(20,000.00)
8/8	Funds Transferred	WIRED FUNDS SENT	BENE: JARED COGGAN ACCT: 003817868982			(3,950.00)
8/13	Online Transfer	FUNDS PAID	Wells XX-6934			(15,000.00)
8/15	Interest Income	CAPITAL ONE 7686 *36AU15	CONFIRMATION # 4400055			
8/20	Dividend	EATON VANCE LTD DURATION FD	CUSIP: 14042BAA4			3,843.00
8/20	Qualified Dividend	DEUTSCHE BK CONT CAP III 7.60%				416.80
8/20	Funds Transferred	WIRED FUNDS SENT	BENE: WALDYR DA SILVA PRADO 23043			1,425.00
8/20	Online Transfer	FUNDS TRANSFERRED	CONFIRMATION # 4528933			(260,000.00)
8/22	Funds Transferred	WIRED FUNDS SENT	TO: .362 BENE: FIRST FEARING, LLC			(270,000.00)
8/27	Cash Transfer	FUNDS TRANSFERRED	CONFIRMATION # 4641676 FRC: .9382			(121,100.81)
8/30	Dividend	ARMOUR RESIDENTIAL REIT INC.				428,747.33
8/31	Dividend	PIONEER FLOATING RATE TRUST				1,500.00
8/31	Dividend	PIONEER DIV HIGH INCOME TRUST				750.00
8/31	Qualified Dividend	FIFTH STREET FINANCE CORP COM				480.00
8/31	Marg'n Interest Charged	Thru 08/31/12 For 31 Days ##	\$230,846.98 3.34%			574.80
NET CREDITS/(DEBITS)						\$(262,202.33)

Please see the disclosure section of the statement for more information regarding how we calculate your margin interest charges.

MorganStanley SmithBarney

Active Assets Account WALDYR DA SILVA PRADO NETO
9292-870

CLIENT STATEMENT | For the Period August 431, 2012

Messages

Notice Regarding the Order Protection Rule

The following is being provided to you pursuant to FINRA Rule 5320, the Order Protection Rule, a copy of which can be obtained at www.finra.org/.

Consistent with our current practices and with the exceptions permitted under FINRA Rule 5320, we and our trade routing destinations may trade principally at prices that would satisfy your equity trading order through our and their use of internal controls, such as information barriers, that operate to prevent a trading unit that handles principal positions from obtaining knowledge of customer orders handled by a separate trading unit.

With respect to certain ☐Not Held ☐large orders (orders for more than 10,000 shares and \$100,000), the same internal controls may not be available. For these orders you may instruct us that you do not wish us or our routing destinations to trade principally along side your order. Such instruction will limit the range of execution alternatives that we are able to offer.

Additional information regarding the handling of your equity orders and our business practices in relation to the Order Protection Rule is available online at

www.morganstanleyindividual.com/customerservice/disclosures/.

**Morgan Stanley
Smith Barney**

CLIENT STATEMENT | For the Period August 131, 2012

Research Ratings Definition (CONTINUED)

2 / 3-STARS (Hold): Total return is expected to closely approximate the total return of a relevant benchmark over the coming 12 months, with shares generally rising in price on an absolute basis

3 / 2-STARS (Sell): Total return is expected to underperform the total return of a relevant benchmark over the coming 12 months, and the share price not anticipated to show a gain

3 / 1-STARS (Strong Sell): Total return is expected to underperform the total return of a relevant benchmark by a wide margin over the coming 12 months, with shares falling in price on an absolute basis

Relevant benchmark: In North America the relevant benchmark is the S&P 500 Index, in Europe and in Asia, the relevant benchmarks are generally the S&P Europe 350 Index and the S&P Asia 50 Index.

MOODY'S INVESTORS SERVICE AND STANDARD & POOR'S CREDIT RATINGS

The credit rating from Moody's Investors Service and Standard & Poor's may be shown for certain securities. All credit ratings represent the opinions of the provider and are not representations or guarantees of performance. Your Financial Advisor will be pleased to provide you with further information or assistance in interpreting these credit ratings.

CLIENT STATEMENT For the Period August 431, 2012

MorganStanley SmithBarney

Disclosure

Errors and Inquiries

If you do not understand an entry on your statement or suspect an error was made, it is essential that you immediately contact the manager of the office servicing your account. Oral communications regarding any inaccuracy or discrepancy in this statement should be re-confirmed in writing to further protect your rights, including rights under the Securities Investor Protection Act (SIPA). Except as provided in your account documentation, we will consider your statement to be correct unless we receive a written inquiry from you about the suspected error within 10 calendar days from the day on which you received your statement. It is your responsibility to review your statement promptly and to seek immediate clarification about entries that you do not understand. Please see your account documentation for special rules regarding your rights and responsibilities with respect to erroneous electronic fund transfers, including a description of the transfers covered.

Questions?

Questions regarding your account may be directed to either your Financial Advisor or the Branch Manager for the branch office where you maintain your account. If you require further assistance, your inquiries may also be directed to Client Service at (800) 868-3326 or you may contact the Legal and Compliance Division at (914) 225-5870 with any account-related concerns.

Account Valuation

Account values are computed by adding (1) the market value of all priced positions and (2) market values provided by pricing services and/or outside custodians, as applicable for other positions, and by adding any credit or subtracting any debit to your closing cash, money market funds and/or deposit balance. Cash, Deposits and Money Market Funds are displayed on a settlement date basis, and other positions are displayed in your account on a trade date basis. The value of fixed income positions in summary displays includes accrued interest in the totals. In the Dividends section, fixed income market value and accrued interest are also displayed in separate columns. Accrued interest is the interest earned but not yet paid on the bond since its last interest payment. In most cases, it is calculated from the date of the last coupon payment (or dated date) through the closing date of the statement, based on information provided by the issuer. Your closing cash, money market fund and/or deposit balance reflects the net month end balance for these positions. Global Currency deposits are reflected in US Dollars as of the statement end date. The covered by SIPC protection. We may include information about these

Annual Percentage Yield (APY) for deposits represents the applicable assets on this statement, solely as a service to you and are not rate in effect for your deposits at the statement ending date. The month-end APY may be different than that which was in effect during the statement period. For current Bank Deposit or Money Market Fund securities is responsible for providing taxable year-end reporting (1099s) and separate periodic statements, which may vary from our information due to different tax reporting periods. In the case of networked mutual funds, Morgan Stanley Smith Barney LLC performs all year-end tax reporting (1099s). Under certain circumstances, such as IRA accounts, we perform all tax reporting.

Additional IRA Information

IRA contributions are subject to IRS eligibility rules and regulations. The "Max. Individual Contributions Allowed (by SSN)" reflects the annual limit on contributions that you as an individual can make to IRAs (Traditional, Roth, SEP, and SARSEP) under the Internal Revenue Code. The limit applies on a per person basis, not per account. The Contributions information included in this statement reflects contribution information for a particular account, without reference to any other IRA.

You cannot make an individual contribution to a Traditional IRA for the year in which you attain age 70 1/2 or any later year. You should check with your tax advisor to verify how much you can contribute and whether or not the contribution will be tax deductible.

The categorization of any amounts in this statement as Individual Deductible or Individual Non-Deductible is based upon information provided by you, and is included for your convenience. Please contact your Financial Advisor if this information is incorrect. The information included in this statement is not intended to constitute tax, legal or accounting advice.

The account value used for your RMD calculation is based on your account's prior December 31st Account Value including accrued but unpaid interest.

Availability of Free Credit Balances and Financial Statements
Under the customer protection rules of the SEC 17 CFR 240.15c3-2 and 15c3-3, Morgan Stanley Smith Barney LLC may use free credit balances in your account which are payable to you on demand, in the ordinary course of its business. We provide summary Morgan Stanley Smith Barney LLC and Morgan Stanley & Co. LLC financial statements to you semiannually; copies are also available on request, by mail.

Certain Assets Not Held At Morgan Stanley Smith Barney LLC
You may purchase certain assets through us that may be held at a financial institution other than Morgan Stanley Smith Barney LLC.

Assets not held at Morgan Stanley Smith Barney LLC may not be covered by SIPC protection. We may include information about these

Gain/(Loss) is calculated based upon generally accepted methodologies. The calculations do not account for each individual client's particular circumstances. Morgan Stanley Smith Barney may not adjust cost basis for all events that you are required to take into account for tax reporting purposes and you may need to make additional adjustments to properly complete your tax returns.

For accounts with Choice Select pricing, the commissions paid on your eligible equity and option purchases and sales are applied to the Total Cost on a monthly basis.

With respect to estimated Gains/(Loss) for listed equity options, we have taken into account option premiums paid or received. With respect to multiple purchases and/or sales, Gain/(Loss) is calculated using an average price for all like positions.

Unrealized and Realized Gain/(Loss) calculations may change due to adjustments to cost basis occurring after the date of this statement. We are not responsible for the accuracy of any Gain/(Loss) calculations based upon information provided by you or another financial institution. You are responsible for ensuring the accuracy of such information.

Morgan Stanley Smith Barney reports the sale of securities on a First-in First-out (FIFO) basis unless a client notifies us of the specific securities to be sold. Clients wishing to use specific identification when selling securities must provide that information to us at the time of the sale.

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CLIENT STATEMENT] For the Period August 131, 2012

Disclosure(Continued)

For your reference, we have included below an explanation of the investment objective alternatives applicable to your account(s):
 Income - for investors seeking regular income with low to moderate risk to principal
 Capital Appreciation - for investors seeking capital appreciation with moderate to high risk to principal
 Aggressive Income - for investors seeking higher returns either as growth or as income with greater risk to principal
 Speculation - for investors seeking high profits or quick returns with considerable possibility of losing most or all of their investment

Listed Options

Information with respect to commissions and other charges related to the execution of options transactions has been included in confirmations of such transactions previously furnished to you and such information will be made available to you promptly at your request.

Margin Interest Charges

Morgan Stanley Smith Barney calculates interest charges on margin loans as follows:

(1) Multiply the applicable margin interest rate by the daily close of business net settled debit balance.

(2) Divide by 360 (days).

Margin interest accrues daily throughout the month and is added to your debit balance at month-end. The month-end interest charge is the sum of the daily accrued interest calculations for the month. Morgan Stanley Smith Barney adds the accrued interest to your debit balance and starts a new calculation each time the applicable interest rate changes and at the close of every statement month. For current margin loan interest rates, please go to

<http://www.morganstanleyclientserv.com>
 Margin Privileges are available for certain accounts such as IRAs or retirement accounts)

If you have margin privileges, you may borrow money from Morgan Stanley Smith Barney in exchange for pledging assets in your account as collateral for any outstanding margin loan. The amount you may borrow is based on the value of the eligible securities in your margin accounts. If a security has eligible shares the number of shares pledged may as collateral will be indicated below the position.

Important Information if you are a Margin Customer

If you have a margin account with us, as permitted by law we may use certain securities in your account for, among other things, settling short sales and lending the securities for short sales, and as a result may

receive compensation in connection therewith.

Money Market Pricing

Money market funds seek to preserve the value of your investment at \$1.00 per share, there can be no assurance that will occur and it is possible to lose money should the fund value per share fall. Moreover, in some circumstances money market funds may be forced to cease operations when the value of a fund drops below \$1.00 per share. In that event, the fund's holdings would be liquidated and distributed to the fund's shareholders. This liquidation process could take up to one month or more. During that time, these funds would not be available to you to support purchases, withdrawals, and if applicable, check writing. Morgan Stanley Smith Barney's Investment Advisor Research department conducts research on various mutual funds and exchange-traded funds for clients holding those funds in certain investment advisory programs. If you have instead invested in any of these funds in another type of account, such as a brokerage account, you will not receive the same research materials and status updates as the funds as we provide to investment advisory clients (including instructions on selling fund shares).

Notice Regarding Investment Advisor Research

Morgan Stanley Smith Barney's Investment Advisor Research department conducts research on various mutual funds and exchange-traded funds for clients holding those funds in certain investment advisory programs. If you have instead invested in any of these funds in another type of account, such as a brokerage account, you will not receive the same research materials and status updates as the funds as we provide to investment advisory clients (including instructions on selling fund shares).

Pricing of Securities

The prices of securities displayed on this statement are derived from various sources, and do not necessarily represent the prices at which those securities could have been bought or sold. Although we attempt to use reliable sources of information, we can offer no assurance as to its accuracy. For exchange traded securities, or those trading continually in an active marketplace, the price reflects the closing prices as of the last business day of your statement period; and generally bid or ask prices for securities that are neither exchange traded nor trading continually in an active marketplace. The prices of securities not actively traded may not be available, and are indicated by N/A (not available). The markets for some fixed income and preferred securities these and for securities that trade less frequently, we rely on outside pricing services and / or computerized pricing models, which cannot always give us actual market values. Prices may be based on: recent transactions or bids, if available; independent quotation services that use computerized valuation formulas to calculate prices based on

institutional quantities; or estimates. Prices for non-institutional quantities of some fixed income securities are likely to be different than institutional prices. Some annuity values provided by outside sponsors are estimates. The amounts on this statement for limited partnerships are typically obtained from a third party or from the general partners unless we have obtained other information such as an independent appraisal. Since many partnership valuations are provided only annually, they do not always represent current values. Furthermore some securities, such as limited partnerships and non-traded REITs are illiquid and have no public markets, so the amounts shown on this statement may not equal the amounts you would receive if you sold or tendered your investment. The value of mutual fund shares is determined by multiplying the net asset value (NAV) by the number of shares or units held, as reported to Morgan Stanley Smith Barney by the correspondent custodian. If we cannot obtain a price or estimate, N/A appears. Speak to your Financial Advisor to obtain current information concerning the prices on your statements.

Important Information About Auction Rate Securities

The following information applies only to holders of Auction Rate Securities. Depending on your current holdings, this message may/may not be applicable to you. Due to market conditions, certain Auction Rate Securities are experiencing no or limited liquidity. Therefore, the price(s) for any Auction Rate Securities shown on this statement may not reflect the price(s) you would receive upon a sale at auction or in a secondary market transaction, and are not an indication of any offer to purchase at such price. There can be no assurance that a successful auction will occur or that a secondary market exists or will develop for a particular security. The prices of any Auction Rate Securities on your statement in most cases reflect par value, but may be derived from various sources. These prices may differ from: prices provided to us or our affiliates by outside pricing services; or our affiliates' own internal bookkeeping valuations; prices of transactions executed in any secondary market that exists or may develop; and/or the prices at which issuer repurchases or redemptions may occur. Please contact your Financial Advisor with any questions.

FDIC's Temporary Liquidity Guarantee Program Debt

Bonds issued under the FDIC's Temporary Liquidity Guarantee Program are backed by the full faith and credit of the United States through the FDIC's Temporary Liquidity Guarantee Program. Bonds issued prior to April 1, 2009, and the earlier of the maturity date of the debt or December 31, 2012 for securities issued on or after April 1,

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Disclosure (CONTINUED)

2009. For more information visit www.fdic.gov/tgpp. The FDIC guarantee refers to the timely payment of interest and principal only. Guarantees do not eliminate market risk. Not all senior unsecured debt category. Estimated accrued interest, estimated annual income and estimated yield for structured products with a contingent income feature, including Range Accrual Notes and Contingent Income Notes, transaction and the name of the other party to a transaction. MSSB assume optimal performance of the underlying asset(s) and payment and/or its affiliates may accept benefits that constitute payment for full of all contingent interest. However, contingent interest is only paid if the specified accrual conditions are met during the relevant observation period. Actual accrued interest, annual income and yield will be dependent upon the performance of the underlying asset(s) and may be significantly lower than the estimates shown. For more information about the risks specific to your Structured Products, you should contact your Financial Advisor.

Security Measures

This statement features several embedded security elements to safeguard its authenticity. One is a unique security mark—a blue rectangle printed in heat-sensitive ink on the back side of every page. When exposed to warmth, the blue rectangle will disappear, and then reappear.

SIPC Protection

Securities and cash held in your Morgan Stanley Smith Barney account(s) are protected by a combination of coverage provided by the Securities Investor Protection Corporation (SIPC), a non-profit organization created by an Act of Congress, and additional protection purchased from a private insurer by Morgan Stanley Smith Barney (Excess of SIPC). SIPC protects up to \$500,000 of each client's securities, of which up to \$250,000 may be uninvested cash. SIPC and Excess of SIPC apply only to securities and cash in the exclusive possession and control of Morgan Stanley Smith Barney and do not protect against losses due to market fluctuations. Please be advised that you may obtain information about SIPC, including the SIPC Brochure, by contacting SIPC at 1-202-371-8300 or by visiting www.sipc.org.

Special Considerations Regarding Structured Products

Structured Products are complex products and may be subject to special risks, which may include, but are not limited to: loss of initial investment; issuer credit risk and price volatility resulting from any actual or anticipated changes to issuer's and/or guarantor's credit ratings or credit spreads; limited or no appreciation and limits on participation in any appreciation of underlying asset(s); risks associated with the underlying reference asset(s); no periodic payments; call prior to maturity; early redemption fees for market linked deposits; lower interest rates and/or yield compared to conventional debt with comparable maturity; unique tax implications; limited or no secondary market; and conflicts of interest due to affiliation, compensation or other factors which could adversely affect market value or payout to investors. In addition, investors should consider the concentration risk of owning the related security and their total exposure to any underlying asset. Structured Products may not perform in a manner

consistent with the statement product category where they appear and (excluding BDPs and MMFs). Trades that have not settled as of statement month end will also be displayed in the ☐ Unsettled Purchase/Sales Activity ☐ section. Upon written request, MSSB will furnish the date and time of a transaction and the name of the other party to a transaction. MSSB assume optimal performance of the underlying asset(s) and payment and/or its affiliates may accept benefits that constitute payment for full of all contingent interest. However, contingent interest is only paid if the specified accrual conditions are met during the relevant observation period. Actual accrued interest, annual income and yield will be dependent upon the performance of the underlying asset(s) and may be significantly lower than the estimates shown. For more information about the risks specific to your Structured Products, you should contact your Financial Advisor.

Under Federal Income Tax law, Morgan Stanley Smith Barney is required to report the gross proceeds of sales transactions (including entering into short sales) to you on Form 1099-B by February 15 of the year following the calendar year of the transaction. For the sale of certain securities acquired on or after January 1, 2011, we are required to report additional transaction information on Form 1099-B. Your Form 1099-B information for the calendar year should be exclusively relied upon for the purpose of filing your tax return for the year. Under U.S. Internal Revenue Service regulations, if you have not provided us with certification of either U.S. or foreign status on an appropriate Form W-9 or W-8, your accounts may be subject to either 28% back up withholding or 30% nonresident alien withholding, as applicable, on payments made to your accounts.

Total Income (This Year/This Period)
Total income as used in the income summaries, represents dividends and/or interest on securities we receive on your behalf and credit to your account(s) during the calendar year. We report dividend distributions and taxable bond interest credited to your account to the Internal Revenue Service. The totals we report may differ from those indicated as "This Year" figures on the last statement for the calendar year. In the case of Real Estate Investment Trusts (REITs), Master Limited Partnerships, Regulated Investment Companies and Unit Investment Trusts, some sponsors may reclassify the distribution to a different tax type for year-end reporting (1099).

Transaction Dates and Transaction Conditions
All activity displays transaction date and settlement date. Securities transactions are included on this statement on a trade date basis

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A	B	C	D	E	F	G	H	I	J	K	L
1	Activities 189 transactions										
2	ACCOUNT	TRADE DATE	SETTLEMENT DATE	ACTIVITY	QUANTITY/DESCRIPTION	SYMBOL/CUSIP	PRICE (\$)	AMOUNT (\$)	BALANCE (\$)*	CASH	TYPE
3	9292	09/11/2012	09/14/2012	Sold	15,000.00 ARMOUR RESIDENTIAL REIT INC. VPF20120911153749183376 Ref: 25516181 SEC ID: CJM50	ARR	7.59	113,403.44	1,411,147.49	450.00	Long Margin
4	9292	09/11/2012	09/14/2012	Sold	3,000.00 DEUTSCHE BK CONT CAP III 7.60% VPF20120911153937595095 Ref: 255M6874 SEC ID: CEW69	DTK	25.60	76,790.47	1,297,744.05	2,373.00	Long Margin
5	9292	09/11/2012	09/14/2012	Sold	6,000.00 FIFTH STREET FINANCE CORP COM VPF20120911154306554907 Ref: 255N7870 SEC ID: CCE35	FSC	10.72	63,978.35	1,220,953.58	360.00	Long Margin
6	9292	09/11/2012	09/14/2012	Sold	6,000.00 AGIC CONV & INC FD VPF20120911153326130084 Ref: 25513515 SEC ID: A994C	NCV	9.31	55,516.74	1,156,975.23	360.00	Long Margin
7	9292	09/11/2012	09/14/2012	Sold	6,000.00 AGIC CONV & INCOME FD II COM VPF20120911153500679984 Ref: 25513529 SEC ID: A99XL	NCZ	8.67	51,661.23	1,101,458.49	360.00	Long Margin
8	9292	09/11/2012	09/14/2012	Sold	3,000.00 AMERICAN CAPITAL AGENCY VPF20120911153557541179 Ref: 25518492 SEC ID: AYB88	AGNC	35.60	106,614.60	1,049,797.26	180.00	Long Margin
9	9292	09/11/2012	09/14/2012	Sold	10,000.00 PIONEER FLOATING RATE TRUST VPF20120911153844280889 Ref: 255T3009 SEC ID: AWT08	PHD	13.35	132,867.01	943,182.66	600.00	Long Margin
10	9292	09/11/2012	09/14/2012	Sold	3,000.00 DEUTSCHE BK CONT CAP TR V 8.05 VPF20120911154040847119 Ref: 255M6784 SEC ID: AVK25	DKT	26.37	79,104.60	810,315.65	2,445.00	Long Margin
11	9292	09/11/2012	09/14/2012	Sold	4,000.00 EATON VANCE LTD DURATION FD VPF20120911154213193824 Ref: 255N0498 SEC ID: ATJ07	EVV	16.72	66,632.50	731,211.05	240.00	Long Margin
12	9292	09/11/2012	09/14/2012	Sold	6,000.00 ANNALY CAPITAL MNGMT INC VPF20120911153708152813 Ref: 25513916 SEC ID: AMQ34	NLY	17.62	105,351.63	664,578.55	360.00	Long Margin
13	9292	09/11/2012	09/14/2012	Sold	3,000.00 PIONEER DIV HIGH INCOME TRUST VPF20120911154403212970 Ref: 255T2932 SEC ID: AML49	HNW	21.20	63,417.67	559,226.92	180.00	Long Margin